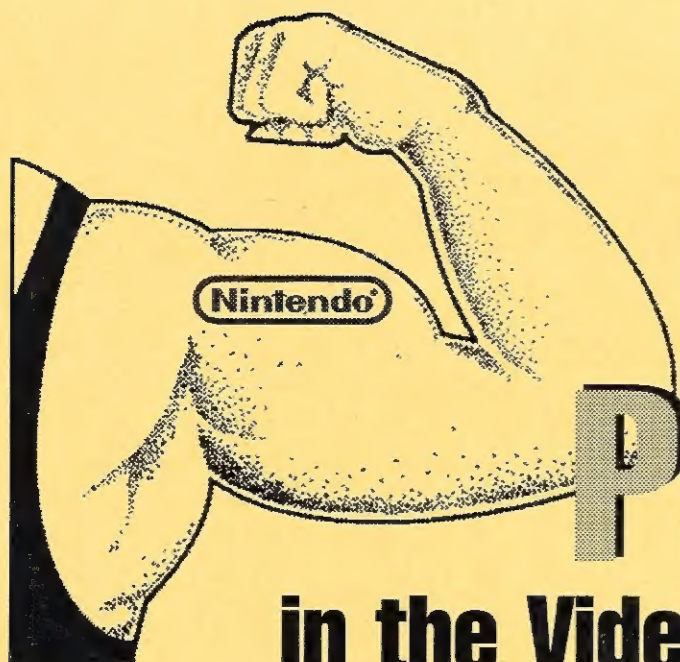


MERCHANDISING POWER





Our Power Position

in the Video Game Industry

MARKET SHARE—March 1997

Nintendo	60%
Sony	25%
SEGA	14%
Other	1%
	100%

NEXT GENERATION SALES

HARDWARE		SOFTWARE	
Sony PSX	Over 2M units in 20 months	Sony PSX	Over 10M units in 19 months
Nintendo 64	Over 1.9M in 8 months	Nintendo 64	Over 4.5M units in 8 months
SEGA Saturn	Over 800K in 23 months	SEGA Saturn	Over 3M units in 23 months

NINTENDO LEADS THE MARKET

#1

in 32/64-Bit since N64 launch
in 16-Bit for 6 months
in Portables for over 3 years

As of 3/97

Merchandising POWER put to Purpose

- 1 Maintain and attempt to build Nintendo's primary positioning and visual impact at retail.**
- 2 Promote the placement of N64 interactives near corresponding software sections.**
- 3 Increase the utilization and support of Power Previews displays to showcase new releases and classic game titles.**
- 4 Build the fire of desire with pre-sell programs.**
- 5 Draw consumers to the stores with Nintendo's P.O.S. signage.**
- 6 Promote positive relations and cooperation between Nintendo Merchandising and the Accounts.**
- 7 Use your personal POWER to make merchandising come alive to spark in-store excitement and sales.**

Nintendo®

MERCHANDISING

P.O.P. & display

Update

**Check the upcoming Merchandising Catalog
for complete details on new and continuing
P.O.P. and display features.**

MERCHANDISING

Display Order Processing Steps

Order Entry

- Hard copy received and entered into AS400
- Order transmitted via EDI

Order Review

- Check for completeness & accuracy
- Inventory availability
- Special instructions

Order Allocation

- Order "allocated"
- Sent to credit

Credit Approval

- Account credit reviewed & approved
- Order released to shipping

Order Shipment

- Order picked
- Carrier pick up scheduled



ENTRY

SHIPMENT

1 WEEK

MERCHANDISING

Display Order Processing Requirements

Account Responsibilities

1. Forward order to Kelly Bergman.
2. Include hard copy P.O. with assigned P.O.# and current display order form signed by authorized account buyer.
3. Note payment terms. (Subject to RMP funds or approved credit.)
4. Provide written special handling or freight instructions with a complete ship-to address.
5. Submit order at least two weeks in advance of required in-store date.
6. Contact Kelly Bergman or Bonnie Honold for display availability or order tracking and status.

Nintendo Terms & Conditions

1. No-charge ground freight. Account pays additional air shipment charges, if requested. (Available RMP funds may be applied if account-approved.)
2. All product launch no-charge P.O.P. subject to allocation. (Randy Peretzman determines final allocations if orders exceed availability.)
3. In-stock displays will ship on time if all the other processing requirements have been met.



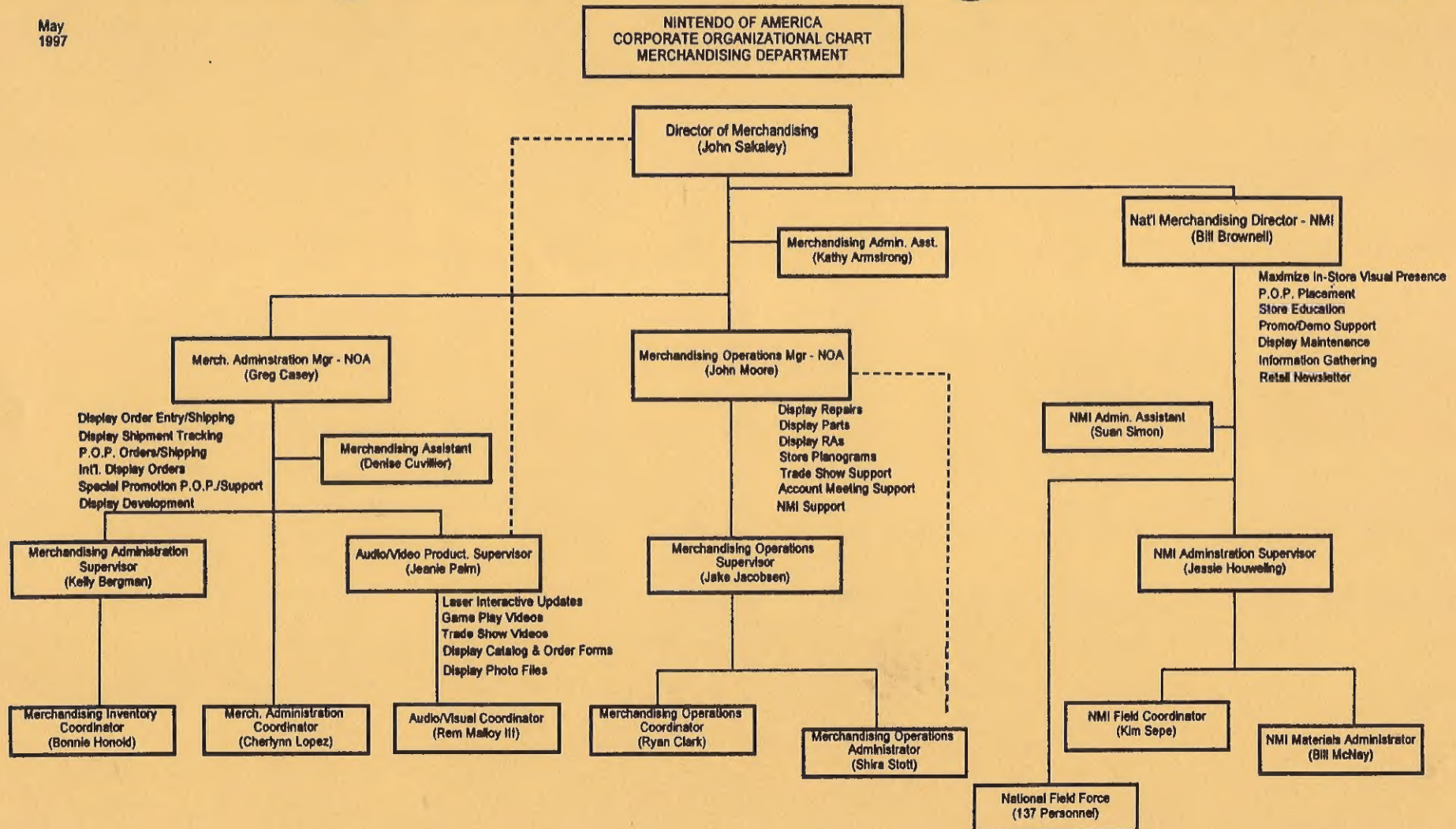
ELECTRONIC

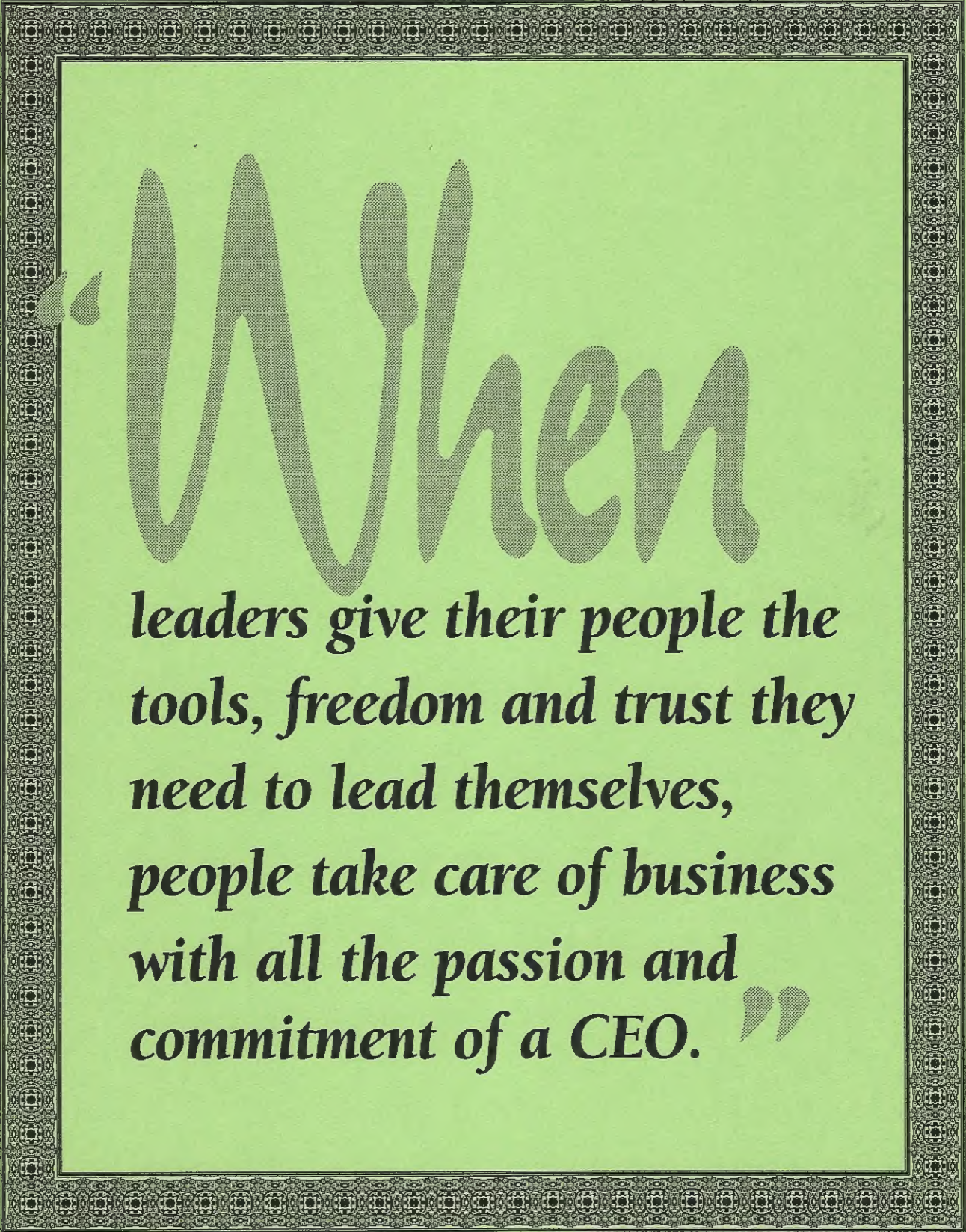
PLANOGRAMMING

SERVICES

We're Pumping Up The Power Throughout The Organization

May
1997





When

*leaders give their people the
tools, freedom and trust they
need to lead themselves,
people take care of business
with all the passion and
commitment of a CEO. ”*

From *Turned On* by Roger Dow & Susan Cook